GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:3649
ANSWERED ON:18.04.2005
FIXATION OF ROYALTY ON IRON ORE
Shukla Smt. Karuna

Will the Minister of STEEL be pleased to state:

(a) whether many State Governments have requested to fix the royalty of iron ore on the basis of one percent of the sale-price;

(b) if so, the details thereof; and

(c) the decision taken by the Union Government in this regard?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) & (b): As informed by Ministry of Mines, conventionally, for revision of royalty rates of minerals other than fuel and minor minerals, a Study Group is constituted under the Chairpersonship of Additional Secretary, Ministry of Mines with representatives of major minerals producing States on rotational basis, concerned Central Ministries/Departments, Indian Bureau of Mines, a subordinate office under the administrative control of Ministry of Mines and Federation of Indian Mineral Industries as members. Comments of all stake holders including State Governments are solicited . Considering all these inputs received from stakeholders, and in keeping with parity with the best International practice, royalty rates are recommended by the Study Group. The recommendations received from the State Govts. by latest Study Group were in general for fixation of royalty for iron ore on tonnage basis.

(c) As recommended by the Study Group, royalty rates of iron ore have been fixed on tonnage basis and were notified on 14.10.2004 as follows:-

Iron Ore	
(i) Lumps	
a) with 65% Fe content or more	Twenty seven rupees per tonne
b) with 62% Fe content or more but less than 65% Fe content	Sixteen rupees per tonne
c) with less than 62% Fe content	Eleven rupees per tonne
(ii) Fines	
a) With 65% Fe content or more	Nineteen rupees per tonne
b) With 62% Fe content or more but less than 65% Fe content	Eleven rupees per tonne
c) With less than 62% Fe content	Eight rupees per tonne
(iii) Concentrates prepared bybeneficiation and/or concentration oflow grade ore containing 40% Fe or less	Four rupees per tonne

(Source: Ministry of Mines)

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